

§ 1753.29

(b) The borrower shall prepare construction contract amendments on RUS Contract Form 238, Construction or Equipment Contract Amendments. See 7 CFR 1755.93 to obtain copies of Form 238.

§ 1753.29 Force account procedures.

(a) The borrower must obtain RUS approval of the force account method of construction of buildings in advance in order to obtain RUS financing.

(b) The borrower shall prepare the P&S in accordance with § 1753.26.

(c) Prior to any construction activity or the purchase of materials or equipment, the borrower shall submit the FAP in duplicate to RUS, accompanied by a resolution indicating approval of the board of directors of the borrower or a letter signed by an authorized corporate official. The proposal shall include:

(1) A Copy of the P&S.

(2) An itemized list of all items of materials required for construction.

(3) A construction schedule showing the estimated construction period for each major construction item.

(4) An estimate of the material and labor and other costs for any construction item not provided for in the approved loan.

(d) Force Account construction to be financed with loan funds shall not be started until RUS approval has been received by the borrower.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39396, Sept. 27, 1990, and amended at 59 FR 43717, Aug. 25, 1994]

§ 1753.30 Closeout procedures.

(a) This section outlines the procedure to be followed to close out RUS Contract Form 257 (Contract to Construct Buildings) and construction or rehabilitation performed by the force account method.

(b) *RUS Form 257 contract.* (1) Whenever changes were made in the plans and specifications which did not require an amendment under conditions set forth in § 1753.11 a final contract amendment showing the changes shall be prepared and submitted to RUS with the closeout documents.

(2) Immediately after completion of contract construction, including clean-up, the borrower shall:

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(i) Arrange with its architect or engineer, contractor, and the GFR for final inspection of the project.

(ii) Furnish the contractor a summary of corrections or additions required to complete the project in accordance with the plans and specifications and the contract, and any contract amendments required to cover the corrections or additions.

(iii) Arrange, upon completion of the corrections by the contractor, to have its engineer prepare or obtain the documents listed in appendix A which are required for closeout of contract construction.

(iv) Make distribution of the completed documents as indicated in appendix A.

(c) Upon completion of force account construction, the borrower shall:

(1) Arrange with its architect or engineer and the GFR for final inspection of the project.

(2) Complete, with the assistance of its architect or engineer, the documents listed in appendix A of this part that are required for the closeout of force account construction.

(3) Make distribution of the completed documents as indicated in appendix A.

(d) Final payment shall not be made until RUS has approved the closeout documents.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39396, Sept. 27, 1990, and amended at 59 FR 43717, Aug. 25, 1994]

§§ 1753.31–1753.35 [Reserved]

Subpart E—Purchase and Installation of Central Office Equipment

SOURCE: 54 FR 39267, Sept. 25, 1989, unless otherwise noted. Redesignated at 55 FR 39397, Sept. 27, 1990.

§ 1753.36 General.

(a) This subpart implements and explains the provisions of the Loan Documents setting forth the requirements and the procedures to be followed by borrowers in purchasing and installing central office equipment financed with loan funds.

(b) Terms used in this subpart are defined in §1753.2 and RUS Contract Forms 525 and 545.

(c) Borrowers shall use RUS Contract Form 525, Central Office Equipment Contract (Including Installation), when the firm supplying the equipment will install it and RUS Contract Form 545, Central Office Equipment Contract (Not Including Installation) when the supplier of the equipment will not be installing it. In either case the appropriate specifications shall be included in the contract.

(d) Alternates, if any, specified in the P&S shall be kept to a minimum.

(e) The borrower shall take sealed competitive bids for all central office equipment to be purchased under RUS Contract Form 525 or 545 using the procedure set forth in §1753.38(a), unless RUS approval to negotiate is obtained.

(f) The borrower may request permission to negotiate with a single supplier for additional central offices to standardize equipment on a system basis. RUS approval to negotiate must be obtained before release of the plans and specifications to the supplier. Except for remote switching terminals associated with an existing central office, RUS will not approve negotiation with a non-domestic manufacturer for the purpose of standardization because such a purchase does not meet the RE Act "Buy American" provisions.

(g) Materials and equipment must meet the standards and general specifications approved by RUS. Materials and equipment included in RUS Bulletin 344-2 "List of Materials Acceptable for Use on Telephone Systems of RUS Borrowers" have been accepted as meeting these requirements. If the equipment is not included in the "List of Materials" but has been approved for field trial installation, the borrower must in each instance obtain field trial approval from RUS prior to entering into any agreement with a supplier.

(h) Only new equipment shall be purchased unless otherwise approved by RUS.

(i) All purchases of materials and equipment are subject to the "Buy American" requirements.

(j) If the sealed competitive bid procedure is followed, negotiation after bid opening will not be permitted.

§ 1753.37 Plans and specifications (P&S).

(a) *General.* (1) Prior to the preparation of P&S, the borrower shall review with the GFR the current and future requirements for central office equipment.

(2) The P&S shall specify the delivery and completion time required for each exchange.

(3) The P&S shall provide for a complement of spare parts to be provided to the borrower. The quantity and type of spare parts shall be determined in accordance with the provisions in RUS Form 522 "General Specification for Digital, Stored Program Controlled Central Office Equipment."

(4) P&S for equipment to be provided under a Form 545 contract shall require the supplier to provide specific installation information and a detailed bonding and grounding plan to be utilized by the engineer, borrower, and others responsible for the installation of the equipment.

(b) *Preparation of P&S.* (1) The P&S shall include RUS Contract Form 525 or 545, Notice and Instructions to Bidders, specifications for the required equipment for each exchange, provision for spare parts, and all other pertinent data needed by the bidder to complete its proposal.

(2) Guidelines for the preparation of the detailed equipment specifications are contained in the Telecommunications Engineering and Construction Manual (TE&CM), which is available from RUS.

(c) *Submission of P&S.* (1) Two sets of the P&S shall be submitted to the GFR for RUS review.

(2) RUS will review the P&S and notify the borrower of approval or disapproval.

(3) After approval of the P&S, one copy will be returned to the borrower.

§ 1753.38 Procurement procedures.

(a) *Sealed competitive bidding.* Sealed competitive bidding of central office equipment shall be in two steps: presentation and evaluation of suppliers' technical proposals, and compliance with the sealed competitive bidding procedure set forth in §1753.8(a). The procedure is as follows: